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POSSIBLE CONSEQUENCES OF COMMUNIST
CONTROL OF GREECE IN THE ABSENCE
OF US COUNTERACTION

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POSSIBLE CONSEQUENCES OF COMMUNIST CONTROL OF GREECE IN THE
ABSENCE OF US COUNTERACTION

SUMMARY

1. *Assumption:* that the "Markos Government" has gained effective control of all Greece, including Crete and the Aegean and Ionian Islands.
2. *The problem:* to estimate the consequences of the assumed development in the absence of specific US counteraction.
3. A direct consequence of the assumption would be that the USSR would gain access to advance bases for: (a) military domination of the Straits; (b) envelopment of Turkey; and (c) interdiction of waterborne traffic in the Eastern Mediterranean.
4. Far more disastrous than the loss of Greece itself would be the psychological and political repercussions of that event. These repercussions, if unchecked by US counteraction, could result in international panic.
5. There would be an immediate clamor for US economic assistance and military guarantees on a scale far exceeding what would have been required to prevent the fall of Greece and involving greater risk of collision with the USSR.
6. Iran and the Kurdish area of Iraq would probably fall under Soviet domination, giving the USSR effective control of the Iranian and Iraqi oil fields. Turkey and the Arab States would continue to resist Soviet domination, but would be in grave jeopardy.
7. Italy would probably go Communist within a few months. In France, however, DeGaulle would come to power. Great Britain would seek urgently to check the repercussions of the fall of Greece and to this end would press for US commitment to a definite program of combined strategic counteraction. Spain would seek to escape from political isolation into military alliance with the US.
8. From the economic point of view, the most serious consequence of the fall of Greece would be the possible loss of the petroleum resources of the Middle East (40 percent of proven world reserves) through political repercussions in that area. Another serious possibility would be that of Communist "capture" of the Greek and Italian merchant fleets. Otherwise the USSR would gain no great benefit, nor would the US and Western Europe suffer any great loss from Soviet control of Greece, Italy, or Iran.
9. The European Recovery Program would be little affected by the loss of Greece, *per se*, but it would suffer severe adverse effects from the psychological and political repercussions of that event.

Note: The information in this report is as of 28 January 1948, at which time the report was submitted to the member agencies of the Interdepartmental Advisory Council for coordination. The Intelligence Division, Department of the Army, and the Air Intelligence Division, Directorate of Intelligence, Department of the Air Force, have concurred in the military aspects of this paper but have not commented on the political aspects. The statement of the Intelligence Organization of the Department of State disassociating itself from the paper is set forth in Enclosure "A." The dissent of the Office of Naval Intelligence, Navy Department, is set forth in Enclosure "B."

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POSSIBLE CONSEQUENCES OF COMMUNIST CONTROL OF GREECE IN THE ABSENCE OF US COUNTERACTION

ASSUMPTIONS

1. COMMUNIST CONTROL OF GREECE.

For the purposes of this estimate it is assumed that the "Provisional Democratic Government of Free Greece" (the "Markos Government") has gained effective control of all Greece, including Crete and the Aegean and Ionian Islands.

2. US REACTION

A further assumption is necessary in order to estimate the consequences of Communist control of Greece. Foreign developments are in large measure determined by the actions and supposed intentions of the US. No valid estimate of prospective developments can be made without authoritative information or assumptions regarding pertinent US intentions and capabilities. In the instant case, the fact that the US had permitted Communist seizure of Greece would be taken generally to indicate the absence of any effective US intention to prevent further Soviet aggression, and this supposition would have more far-reaching consequences than would the fall of Greece *per se*. A prompt and vigorous US reaction, however, would tend to check these repercussions. Thus the consequences of Communist control of Greece would depend essentially on the US reaction thereto. Inasmuch as we cannot prejudge the US reaction, our estimate of other reactions must be based on the only assumption open to us: that existing US plans and policies (e.g., the European Recovery Program) continue to be carried out as presently indicated, but that no new commitments are made. Our estimate of the consequences of Communist control of Greece is then our appreciation of what would probably happen in the absence of specific US counteraction.

DIRECT CONSEQUENCES

3. GENERAL

By the very fact of Communist control of Greece the USSR would complete its control of the Balkan Peninsula (except for Turkish Thrace) and would thereby gain certain local advantages, such as:

a. Further consolidation of the Soviet position in Bulgaria, Yugoslavia, and Albania by the elimination of (1) the subversive example of a relatively independent and democratic neighboring state, and (2) a long land frontier across which there might have been substantial infiltration of subversive ideas and agents into the Balkan Satellite States.

b. Elimination of a potential beachhead which, in time of war, might have served as a base for operations in defense of the Straits and for the liberation of the Balkans.

c. Acquisition of potential advance bases in Greece.

4. SOVIET CAPABILITIES FROM GREEK BASES.

From air and naval bases in Greek territory the USSR, at slight cost in terms of additional occupation and defense commitment, could (a) dominate the Straits and the Aegean approach thereto; (b) extend, on the west, the existing double envelopment of Turkey; and (c) interdict waterborne traffic in the Eastern Mediterranean.

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The airfields presently existing in Greek territory, although generally unsuitable for use by US Air Force standards, could probably be made ready to accommodate lighter Soviet aircraft with relatively slight engineering effort. From Greek bases Soviet bombers with fighter escort could reach Tripoli, Cairo, or Haifa.

Soviet naval action from Greek bases would be limited primarily to the use of submarines.

By air and submarine operations from Greek bases the USSR could endanger shipping throughout the Eastern Mediterranean and effectively close to traffic the passage between Crete and Cirenaica.

5. PSYCHOLOGICAL EFFECT.

Far more important than any advantage to be gained by the possession of Greece itself would be the profound psychological shock which would be felt around the world. The fall of Greece would constitute the first actual extension of Soviet territorial control since the Soviet armies halted at the conclusion of World War II. The Soviet acquisition of control over Eastern Europe could be accepted as an inevitable but incidental consequence of operations directed toward the defeat of Germany and as possible only in the special circumstances of that time. The subversion of Greece three years later would be an ominous portent that the USSR was capable of successful aggression in present circumstances and that further Soviet advances were to be expected. That the subversion of Greece could be accomplished in defiance of the "Truman Doctrine" would convince all concerned, both Communist and anti-Communist, that assurances of US support afforded no effective guarantee against Soviet aggression and that all who ventured to resist the inexorable advance of the USSR did so at their dire peril.

POLITICAL REPERCUSSIONS

6. GENERAL.

The fall of Greece would cause every Government, including that of the USSR, to revise its estimate of the situation. The USSR would be emboldened to press its evident advantage and to allow the anti-Communist world no opportunity to rally. Every non-Communist government would re-examine its policy to determine whether it conformed to the true national interest in the altered circumstances. In addition, popular reactions would affect domestic political alignments and the stability of various governments. Initial reactions to events in Greece would be compounded by reactions to developments in other countries, with strong possibilities for international panic. The consequent instability of the world situation would be out of all proportion to the intrinsic importance of Greece.

7. TURKEY.

Soviet control of Greece would most directly threaten Turkey; Communist accession to power in Greece would lead to a renewal of Soviet demands regarding the Straits and northeastern Turkey. Turkish resistance to these demands would probably be as resolute as in the past. At the same time Turkey would demand of the US greatly increased economic assistance and military guarantees. As Soviet pressure continued the Turks might yield minor concessions (e.g., air rights) not directly affect-

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ing Turkish territorial integrity, in order to gain time and impress on the United States the danger that Turkey might fall into the Soviet orbit. Eventually, increasing isolation and economic disruption would undermine Turkey's ability to resist the USSR, however strong the will to do so.

8. IRAN.

Iran would immediately demand of the US increased economic assistance and military guarantees. Lacking these, Iranian will and ability to resist the USSR would dissolve. Under the external pressure of the USSR and the internal pressure of leftist elements and regional interests, the Iranian Government would be compelled to curtail US influence, admit leftists to positions in the administration, and grant economic concessions to the USSR (e.g., the desired oil concession). These developments would stimulate existing disruptive tendencies in Iran and lead to increasing assertion of provincial and tribal autonomy. The process thus begun would result in the disintegration of Iran and Soviet domination of the country, including eventual Soviet control of the oil fields of southwestern Iran.

9. THE KURDS.

Kurdish autonomy in northwestern Iran would stimulate nationalistic aspirations among the Kurds in neighboring areas of Turkey, Syria, and Iraq. This development, encouraged by the USSR, could, in the circumstances, lead to a Soviet capability at least to prevent effective operation of the Kirkuk oil field in northern Iraq.

10. THE ARAB STATES.

Fearing the USSR and lacking confidence in the power of Great Britain to protect them, the Arab Governments would call on the United States for economic assistance and military guarantees. If this call went unanswered, US influence in the Arab world, already severely damaged by US support of Zionism, would be destroyed by loss of confidence in US capabilities and intentions. The Arabs would not turn to the USSR as an alternative to the US. Lacking any reliable outside support, they would turn inward, with a consequent intensification of nationalism, Pan-Arabism, and xenophobia. All restraint on the Arab reaction to the situation in Palestine would disappear: a full-scale holy war to expel European Jewish intruders from that country could readily develop. Attacks on US nationals and property would increase: although oil installations in Saudi Arabia might be relatively secure for the time being, the operation of pipe lines to the Mediterranean would become impossible.

Although the initial Arab reaction, indicated above, would be unifying in effect, the isolation of the Arab States would in the long term favor the recrudescence of latent disruptive forces such as ethnic separatism (e.g., of the Kurds, Assyrians, Druzes), dynastic rivalries (as between the Hashimites and Ibn Saud), and ancient tribal feuds. The USSR would be active in exciting and exploiting these disruptive tendencies, and in stirring up mass discontent with the existing economic and political order in the Arab States. Eventually Arab Governments might find themselves facing a choice between coming to terms with the USSR or being overthrown and replaced by governments subservient to the Soviet Union. This situation could arise most readily in Iraq, Syria, Lebanon, and Egypt. Saudi Arabia will prove relatively stable during the

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lifetime of Ibn Saud, but on his death will tend to break up, with consequent jeopardy to US oil interests there in the circumstances envisaged.

11. ITALY.

Continued reliance on US support would be the only course open to the De Gasperi Government. It would clamor for greatly increased economic aid and for military guarantees. The disillusionment of the Italian people would be such, however, that, without convincing evidence of a new US determination to defend Italy on such a scale as to guarantee that country against becoming a battleground, De Gasperi's popular support would tend to disintegrate. The Communists, as the only practical alternative to De Gasperi in the circumstances, would correspondingly gain strength. If a free election were to be held, this popular reaction would probably carry the Communists to power by political processes. If not, the demoralization of their opponents would probably permit the Communists to seize power by force. One way or the other, the fall of Greece to international Communism would probably be followed within a few months by the fall of Italy.

12. FRANCE.

The Schuman Government would fall almost at once, but in France the immediate alternative to Schuman would be, not Communism, but De Gaulle. If De Gaulle failed to bring order, military strength, and economic recovery, the only remaining alternative would be Communism. On this basis De Gaulle would demand not only greatly increased economic support, but also US aid in French rearmament and a firm military alliance.

13. THE UNITED KINGDOM.

Official and popular opinion in Great Britain would be profoundly shocked by the loss of Greece and the consequent danger to traditional British interests in the Eastern Mediterranean and Middle East. The prestige of the US, the Labor Government, and the Foreign Minister alike would suffer. There would, however, be no reversal of present British policy. Rather the British reaction would consist of urgent efforts to control the damage, both directly and by pressing the US for more effective implementation of the "Truman Doctrine." These efforts would include an endeavor to revitalize combined strategic planning, as during the war, and to commit the US to a definite program of combined strategic counteraction.

On its own account the UK would suspend redeployment and demobilization, reinforce the Eastern Mediterranean, intensify its efforts to reach satisfactory military agreements with the Arab States and press more vigorously for the formation of a Western Bloc in Europe.

At the same time the UK would urge upon the United States the combined development of a strategic position along the southern littoral of the Eastern Mediterranean, a reconsideration of the Palestine problem, and the provision of requisite economic, moral, and military support for the threatened countries of Europe and the Near and Middle East.

In consequence of the UK's already acute dollar crisis, the impaired prospects of the European Recovery Program, and the emergency measures envisaged, the UK itself would require additional US financial and economic assistance.

14. GERMANY.

Soviet propaganda would make extraordinary efforts to convince the Germans that US interest in Germany was ephemeral and that the future of the country lay in collaboration with the USSR. It is unlikely, however, that this propaganda would have serious effect so long as the US stood firm in Germany. Many Germans might well be confirmed in the supposition that now surely the US must make heavy contributions toward restoring, perhaps even rearming, western Germany in anticipation of war. Western German political leaders would actively seek to exploit the situation to obtain that result.

15. ELSEWHERE IN WESTERN EUROPE.

Peoples and governments would be highly alarmed, but generally disposed to await further developments. Belgium and the Netherlands might take the occasion to seek of the US greater economic assistance and military guarantees. On the other hand, the Scandinavian countries and Switzerland would be all the more wary of becoming committed to a Western Bloc. Austria might be influenced to seek an accommodation with the USSR. Franco would endeavor to exploit the situation to get Spain out of political isolation into military alliance with the US, hoping also to obtain important US economic assistance.

ECONOMIC CONSEQUENCES

16. MIDDLE EAST OIL.

From the economic point of view, the most serious consequence of the fall of Greece would be the possible loss of the petroleum resources of the Middle East (comprising 40 percent of proven world reserves) through political repercussions in Iran and the Arab States (see paragraphs 8-10). The USSR would derive little immediate benefit from control of the oil fields of Iran and Iraq (comprising 18 percent of proven world reserves), inasmuch as means of delivery of oil therefrom to the Soviet Union would be lacking in the circumstances envisaged. Denial of this oil to the Western Powers, however, would have drastic effect on both their strategic capabilities in the region and the economy of Western Europe. With the construction and operation of a pipe line to the Mediterranean impossible, the compensatory effectiveness of increased production in Saudi Arabia, Bahrein, and Kuwait would be limited by the availability of tankers for shipments via the Persian Gulf. The deficiency in the provision of oil supplies to Western Europe would have to be made up principally by shipments from the Caribbean, also limited by the availability of tanker tonnage. This increased drain on the oil reserves of the Western Hemisphere, if long continued, could make the US liquid-fuel position precarious in the event of war. Eventual loss of the petroleum resources of Saudi Arabia, Bahrein, and Kuwait would put in question the adequacy of the resources remaining available to the Western Powers to meet their future needs, even in time of peace.

17. OTHER COMMODITIES.

With respect to other commodities the USSR would gain no great benefit, nor would the US and Western Europe suffer any great loss, from Soviet control of Greece, Italy, or Iran. None of the foodstuffs or metallic ores exported from those countries is

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of strategic significance to the US or Western Europe. In fact, Greece and Italy are liabilities in terms of food supply, fertilizers, and chemicals: the elimination of those countries from consideration would permit increased supply to others.

18. INDUSTRIAL CAPACITY.

Italy is the only country considered likely to fall under Communist control which has any significant industrial capacity. Utilization of Italian industry requires heavy provision of oil, coal, and important raw materials, which the USSR, however, could make available. Selective employment of this capacity, particularly of the mechanical skills and plant facilities of the machinery industry of northern Italy, would be very advantageous to the USSR. The Balkan Satellite States, moreover, are dependent on supplies of Italian manufactured goods. The US and Western Europe are not.

19. MERCHANT SHIPPING.

The Greek and Italian merchant fleets are each comparable in tonnage to that of the USSR. Communist "capture" of these fleets intact would be of great advantage to the USSR. Soviet economic development is presently handicapped by lack of shipping, especially in the Black Sea.

20. THE EUROPEAN RECOVERY PROGRAM.

The Program would be little affected by the loss of Greece, *per se*, but would suffer severe adverse effects from the psychological and political repercussions of that event, with particular reference to (a) the resulting loss of essential confidence, (b) the tendency of the Western European community to disintegrate, and (c) the possible loss of essential oil supplies.

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ENCLOSURE "A"
STATEMENT OF THE INTELLIGENCE ORGANIZATION
DEPARTMENT OF STATE

In the opinion of the Research and Intelligence Organization of the Department of State the assumption that the United States would take no specific counteraction in the event that the "Markos Government" gained control of Greece furnishes, if unqualified, no feasible basis for a sound analysis of the consequences of such control. The Intelligence Organization is therefore compelled to forego comment in detail on ORE-69 and to disassociate itself from the paper.

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ENCLOSURE "B"

DISSENT OF THE OFFICE OF NAVAL INTELLIGENCE, NAVY DEPARTMENT

The Office of Naval Intelligence does not concur in this paper for the following reasons:

a. ONI does not consider it feasible to compound the lack of realism of the assumption (see p. 2, par. 2) with a detailed forecast of events to happen over a wide portion of the earth. ONI believes that the consequences of the fall of Greece to Markos cannot be detailed accurately beyond the following statement:

"If the Communists took over Greece, it would be cited as an example of the futility of US policy to check the advance of Communism and would have a profound influence on the political orientation of other countries in Europe and the Near East. Greece is the keystone, in both a political and a military sense, in the whole anti-Communist circle."

b. The conclusions are not examined with reference to time giving the impression that these events are inevitable and will occur forthwith.

c. Par. 4. It is doubted that the psychological and political repercussions would be so disastrous as to bring on international panic.

d. Par. 6. Iran and Kurdish area of Iraq could possibly fall under Soviet domination but not necessarily as a result of Communist control in Greece.

Turkey has always been realistic; she could under these circumstances orient toward USSR.

e. Par. 7. ONI is not prepared to say without qualification that Italy would go Communist within a few months, or that DeGaulle would come to power immediately.

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